UNITED
NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/CP/1997/2
12 November 1997

Original: ENGLISH

CONFERENCE OF THE PARTIES
Third session
Kyoto, 1-10 December 1997
Item 5 of the provisional agenda

ADOPTION OF A PROTOCOL OR ANOTHER LEGAL INSTRUMENT: FULFILMENT OF THE BERLIN MANDATE

Revised text under negotiation

Note by the secretariat

1. At its first session, the Conference of the Parties (COP) agreed to "begin a process to enable it to take appropriate action for the period beyond 2000, including the strengthening of the commitments of the Parties included in Annex I to the Convention (Annex I Parties) in Article 4, paragraph 2(a) and (b), through the adoption of a protocol or another legal instrument" (decision 1/CP.1, the "Berlin Mandate").

2. The COP decided that this process should be conducted in an open-ended ad hoc group of Parties, the "Ad Hoc Group on the Berlin Mandate" (AGBM), "with a view to adopting the results at the third session of the Conference of the Parties" (decision 1/CP.1, para. 6).

3. The results of the work of the AGBM on a protocol or another legal instrument, as approved by the AGBM at the first part of its eighth session (see FCCC/AGBM/1997/8, para. 17), are contained in the revised text under negotiation which follows. This text has been prepared on the understanding that the consolidated negotiating text by the Chairman (FCCC/AGBM/1997/7), the reports by the Chairmen of informal consultations conducted at AGBM 7 (FCCC/AGBM/1997/INF.1), the negotiating text by the Chairman (FCCC/AGBM/1997/3/Add.1 and Corr.1) and the original proposals from Parties contained in relevant miscellaneous documents (FCCC/AGBM/1996/MISC.2/Add.1-4 and FCCC/AGBM/1997/MISC.1/Add.1-10), also remain under negotiation.

4. In the revised text under negotiation which follows, Parties may note that, in certain cases, the numbering of Articles and paragraphs and the letters used to denote Annexes differs from that used in previous texts.

5. The revised text under negotiation is presented to the Conference of the Parties at its third session as a basis for the fulfilment of the Berlin Mandate.

REVISED TEXT UNDER NEGOTIATION

Preamble

The Parties to this Protocol,

Being Parties to the United Nations Framework Convention on Climate Change, hereinafter referred to as the "Convention",

In pursuit of the ultimate objective of the Convention as stated in its Article 2,

Recalling the provisions of the Convention,

Being guided by its Article 3,

Pursuant to the Berlin Mandate adopted by decision 1/CP.1 of the Conference of the Parties to the Convention at its first session,

Have agreed as follows:

Article 1

For the purposes of this Protocol, the definitions contained in Article 1 of the Convention shall apply. In addition:

1. "Convention" means the United Nations Framework Convention on Climate Change, adopted in New York on 9 May 1992.

2. "Intergovernmental Panel on Climate Change" means the Intergovernmental Panel on Climate Change jointly established by the World Meteorological Organization and the United Nations Environment Programme in 1988.

3. "Montreal Protocol" means the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer, as subsequently adjusted and amended.

4. "Parties present and voting" means Parties present and casting an affirmative or negative vote.

5. "Party" means, unless the text otherwise indicates, a Party to this Protocol.

6. "Party included in Annex I" means a Party included in Annex I to the Convention, and as may be subsequently amended by the Conference of the Parties to the Convention, or a Party which has made a notification under Article 4.2(g) of the Convention.

7. "Subsidiary bodies" means the subsidiary bodies established by Article 9 and Article 10 of the Convention.

8. (*Additional definitions, as necessary*)

Article 2

1. Each of the Parties included in Annex I [or acting under Article 10] shall:

(a) Adopt and implement policies and measures in achieving its commitments regarding quantified emission limitation and reduction objectives under Article 3, in order to promote sustainable development

Alternative A

, such as the following policies and measures, in accordance with its national circumstances:

(i) Enhancement of energy efficiency in all sectors of the national economy;

(ii) Protection and enhancement of sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol;

(iii) Promotion, development and increased use of renewable forms of energy and of innovative environmentally sound technologies;

(iv) Phasing out of market imperfections, fiscal incentives, tax exemptions and subsidies in all greenhouse gas emitting sectors that run counter to the objective of the Convention; and

(v) Providing a continuous balance between those policies and measures aimed at reducing emissions of greenhouse gases in emitting sectors and those aimed at reducing consumption of their products.

Alternative B

, in particular, the following policies and measures:

(i) Implement commitments in article 4.2(e)(ii) of the Convention and remove obstacles to the limitation and reduction of emissions of greenhouse gases and greenhouse gas precursors not controlled by the Montreal Protocol and to the enhancement of removals by sinks;

(ii) Enhance energy efficiency in all sectors, including the energy production and transformation, industrial, transport, residential and commercial and agricultural sectors;

(iii) Progressively reduce/phase out market imperfections and fiscal incentives that run counter to the objective of the Convention, including, *inter alia*, subsidies on all fossil fuels;

(iv) Encourage appropriate reforms in the energy sector and regulatory regimes aimed at promoting policies and practices which limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol;

(v) Promote, develop and increase the use of renewable forms of energy to ensure that a significant increase of the share of its energy supply is realized;

(vi) Develop measures to limit and/or reduce emissions of greenhouse gases not controlled by the Montreal Protocol in the transport sector including average fuel consumption targets for new vehicles, minimum excise duty on fuels, promotion of low emission transport modes and other instruments;

(vii) Limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, through the International Civil Aviation Organization and the International Maritime Organization, respectively, in particular work towards introducing aviation fuel taxation;

(viii) Protect and enhance sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol and promote sustainable forest management practices, afforestation and reforestation;

(ix) Integrate climate change considerations into agricultural practices and promote sustainable forms of agriculture;

(x) Research and develop innovative climate-friendly technologies, and promote the application and diffusion, including transfer of, such technologies, particularly to developing country Parties;

(xi) Limit and/or reduce emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride;

(xii) Apply economic instruments to ensure that market prices give appropriate signals to consumers and businesses to limit and reduce emissions of greenhouse gases; and

(xiii) Reduce emissions of methane through recovery and use in the waste management sector, as well as in the production, transport and distribution of energy.

The Meeting of the Parties shall assess the application of these policies and measures,

Alternative A

(b) Implement policies and measures under this Article in such a way as to avoid adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4.8 and 4.9 of the Convention, taking into account Article 3.5 of the Convention.[1] The Conference of the Parties to the Convention may take further action, as appropriate, to promote the implementation of the provisions of this subparagraph;

Alternative B

(b) Implement policies and measure under this Article taking into account the adverse effects of climate change and/or the impacts of the implementation of policies and measures on developing country Parties, especially those identified in Article 4.8 of the Convention. The Meeting of the Parties may take actions, as appropriate, with respect to this paragraph;

(c) Co-operate with other such Parties to enhance the individual and combined effectiveness of their policies and measures adopted and implemented under this Article, in accordance with Article 4.2(e)(i) of the Convention. To this end, these Parties shall take steps to share their experience and exchange information on these policies and measures, including developing ways of improving their comparability, transparency and effectiveness. The Meeting of the Parties shall, at its first session or as soon as practicable thereafter, consider ways to facilitate such co-operation, taking into account all relevant information.

[2. The Parties included in Annex I [or acting under Article 10] shall co-ordinate the implementation of those policies and measures identified in paragraph 1(a) above and in the development of methodologies to assess their effectiveness. The Meeting of the Parties shall, at its first session or as soon as practicable thereafter, consider ways and means to facilitate such co-ordination, including by instituting a process to develop recommendations to Parties in the

---

[1] This matter is linked with the issue of a compensation fund and a clean development fund. Cross-referencing may be introduced once the actual placement of the text on these funds is proposed.

form of guidelines, taking into account national circumstances and relevant work being done by other bodies]

Article 3

Alternative A

1. Parties included in Annex I shall, individually or jointly, ensure that their net[2] aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed their commitments, expressed in terms of emission budgets, inscribed in Attachment 1.

Alternative B

1. Each Party included in Annex I shall ensure that its net aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed its commitments, expressed in terms of emission budgets, inscribed in Attachment 1.

Alternative C

1. Each Party included in Annex I shall achieve quantified emission limitation and reduction objectives within time frames such as 2005, 2010 and 2020 for its anthropogenic emissions by sources and removals by sinks of carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol.

Alternative A

2. The commitments for each Party included in Annex I shall be established using the process set out in Annex B and shall be inscribed in Attachment 1.[3]

Alternative B

2. Parties included in Annex I shall be subject to uniform commitments under this Article, which are as follows: (*to be completed*).

---

[2] The use of the word "net" throughout this text will depend on the outcome of the ongoing consultations on the inclusion of sinks in the establishment of quantified emission limitation and reduction objectives.

[3] For those Parties included in Annex I on the date of adoption of this Protocol, these commitments shall be established together with the adoption of this Protocol.

3. The Parties included in Annex I undergoing the process of transition to a market economy whose base year or period was established pursuant to decision 9/CP.2 of the Conference of the Parties to the Convention at its second session, shall use that base year or period for the implementation of their commitments under this Article.

4. Taking into account Article 4.6 of the Convention, in the implementation of their commitments other than those in Article 3, a certain degree of flexibility shall be allowed by the Meeting of the Parties to the Parties included in Annex I undergoing the process of transition to a market economy.

[5. Each Party included in Annex I shall, by 2005, have made demonstrable progress in achieving its commitments under this Protocol.]

[6. Each Party acting under Article 10 shall ensure that its net aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A do not exceed its commitments, expressed in terms of emission budgets and inscribed in Attachment 1, determined in accordance with the provisions of Article 10.]

[7. The first emission budget for each Party included in Annex I, from 200[_] to 20[_], shall be equal to [_ per cent/the percentage inscribed for it in Attachment 1 for that budget period] of its net aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in 1990, or the base year or period determined in accordance with paragraphs 3 and 4 above, multiplied by five.]

[8. The second emission budget for each Party included in Annex I, from 20[_] to 20[_], shall be equal to [_ per cent/the percentage inscribed for it in Attachment 1 for that budget period] of its net aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in 1990, or the base year or period determined in accordance with paragraphs 3 and 4 above, multiplied by five.]

[9. The first emission budget for each Party acting under Article 10 shall be equal to the percentage, determined in accordance with Article 10, of its net aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A in the base year or period determined in accordance with Article 10, multiplied by five.]

[10. Any part of an emission budget, or any emission credits, which a Party acquires from another Party in accordance with the provisions of Article 6 or Article 7 shall be added to the emission budget of that Party.]

[11. Any part of an emission budget, or any emission credits, which a Party transfers to another Party in accordance with the provisions of Article 6 or Article 7 shall be subtracted from the emission budget of that Party.]

[12. The procedures established in paragraphs 7 to 11 above shall be used to calculate the emission budget of Parties included in Annex I [or acting under Article 10] for subsequent budget periods, unless otherwise decided by the Meeting of the Parties.]

[13. If a Party included in Annex I [or acting under Article 10] reduces its emissions during a budget period by a greater percentage than that required by its commitment under this Article, this difference shall, on request of that Party, be credited to its emission budget for subsequent budget periods.]

[14. If a Party included in Annex I [or acting under Article 10] exceeds its emission budget for a budget period, by up to and including [_] per cent, that Party shall not be considered as being in a state of non-compliance if it subtracts the amount of excess emissions from its subsequent emission budget at a rate of [_:1].]

[15. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall regularly review and, as appropriate, amend the list of greenhouse gases in Annex A with a view to including other greenhouse gases not controlled by the Montreal Protocol and source and sink categories. Any amendment to the list of greenhouse gases in Annex A shall be in accordance with the provisions set forth in Article 21, and shall only apply to those commitments under this Article that are adopted after the entry into force of that amendment.]

[16. Until such time as any greenhouse gases not controlled by the Montreal Protocol from any source and sink categories are covered by commitments under this Article, Parties included in Annex I [or acting under Article 10] shall make every effort to limit and reduce their anthropogenic emissions by sources and enhance their removals by sinks of such gases.]

[17. Each Party included in Annex I shall fulfil the commitments mentioned in paragraph 2 above in such a way as to minimise adverse social, environmental and economic impacts on developing country Parties, particularly those included in Article 4.8 of the Convention. A compensation fund shall be established by the Conference of the Parties to compensate the developing country Parties which may suffer social, environmental and/or economic loss as a result of actions taken to meet quantified emission limitation and reduction objectives.]

[18. A clean development fund shall be established by the Conference of the Parties to assist the developing country Parties to achieve sustainable development and contribute to the ultimate objective of the Convention. The clean development fund will receive contributions from those Parties included in Annex I found to be in non-compliance with their quantified emission

limitation and reduction objectives under this Protocol. The clean development fund will also be open for voluntary contributions from Parties included in Annex I.][4]

[Article 4[5]

1. Any Parties included in Annex I [or acting under Article 10] that have agreed that they shall jointly fulfil their obligations with respect to quantified emission limitation and reduction objectives shall be deemed to have met those obligations provided that their total combined level of emission reductions meets the levels as set out in Attachment 1 for those Parties.

2. Such agreement will become operative only if all Parties to it have notified the secretariat of the terms of the agreement which shall remain operative for the duration of this Protocol or until a decision to amend or rescind the agreement is notified to the secretariat by all Parties to the agreement.

3. The Parties to any such agreement shall notify the secretariat of the terms of the agreement on the date of deposit of their instruments of ratification, acceptance, approval or accession, or subsequently, in any event five years before the expiry of the period mentioned in Article 3. The secretariat shall in turn inform the other Parties of the terms of the agreement or any decision to amend or rescind it.

4. In the event of failure by the Parties to such an agreement to achieve their total combined level of emission reductions, the Parties to such an agreement shall be responsible for their levels of emissions according to the notifications made in accordance with this Article.

5. If Parties acting jointly do so in the framework of, and together with, a regional economic integration organization which is itself a Party to this Protocol, each member State of that regional economic integration organization individually, and together with the regional economic integration organization acting in accordance with Article 25, shall, in the event of failure to achieve the total combined level of emission reductions, be responsible for its level of emissions as notified in accordance with this Article.]

---

[4] The Group of 77 and China requested that paragraphs 17 and 18 above, which reproduce part of that group's proposal contained in document FCCC/AGBM/1997/MISC.1/Add.6, be included in this text. It should be noted that, due to lack of time, it was not possible to enter into discussion on this matter during informal consultations conducted at the first part of the eighth session of the AGBM.

[5] A Party previously proposed text, which can be found as paragraph 20 in annex I of document FCCC/AGBM/1997/INF.1, to cover the situation in which member States of regional economic integration organizations and the organizations themselves were Parties to this instrument and sought to undertake quantified emission limitation and reduction commitments as such. The text also covers possible future enlargement of regional economic integration organizations.

Article 5[6]

1. Each Party included in Annex I [or acting under Article 10] shall have in place, [no later than one year prior to the start of the first budget period,] a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol. Guidelines for such national systems, which shall incorporate the methodologies specified in paragraph 2 below, shall be decided upon by the Meeting of the Parties at its first session.

2. Methodologies for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol shall be those accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties to the Convention at its third session. Where such methodologies are not used, appropriate adjustments shall be applied according to methodologies agreed upon by the Meeting of the Parties at its first session. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall regularly review and, as appropriate, revise such methodologies and adjustments, taking fully into account any relevant decisions by the Conference of the Parties to the Convention. Any revision to methodologies or adjustments shall only be used for the purposes of ascertaining compliance with commitments under Article 3 in the case of those commitments that are adopted subsequent to that revision [, unless otherwise decided by the Meeting of the Parties].

[3. The global warming potentials used to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol listed in Annex A shall be those accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties to the Convention at its third session. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall regularly review and, as appropriate, revise the global warming potential of each such greenhouse gas, taking fully into account any relevant decisions by the Conference of the Parties to the Convention. Any revision to a global warming potential shall only apply to those commitments under Article 3 that are adopted subsequent to that revision [, unless otherwise decided by the Meeting of the Parties].]

---

[6] The Alliance of Small Island States (AOSIS) has indicated that it would require further consultations on this Article, pending the elaboration of the term "net" under Article 3.1.

[Article 6[7]

1. For the purpose of meeting its commitments under Article 3, any Party included in Annex I [or acting under Article 10] may [, under the international framework to be established under paragraph 4 below,] transfer to or acquire from any other Party included in Annex I [or acting under Article 10] any of its emissions allowed under Article 3, provided that each such Party is in compliance with its obligations under Articles [2, 3,] 5 and 8, and has in place a national mechanism for the certification and verification of emission trades.

2. A Party may authorize intermediaries to participate, under the responsibility of that Party, in actions leading to the transfer or acquisition, under this Article, of emissions allowed.

3. Emissions trading, as defined in paragraph 1 above, shall be subject to the following criteria:

[(a) Emission levels achieved before the start of any trading system established under this Protocol can[not] be used as the basis for emissions trading;]

(b) Emissions trading shall be supplemental to domestic policies and measures [, which should provide the main means] [for the purposes] of meeting commitments under Article 3; and

(c) A Party whose emissions are in excess of its emissions budget in any budget period may acquire, but may not transfer, emissions allowed.

4. The Meeting of the Parties shall, at its first session or as soon as practicable thereafter, decide upon modalities, rules and guidelines for emissions trading, as provided for in paragraph 1 above, including methodologies for verification and reporting.

5. If a question of a Party's implementation of the requirements of Articles [2, 3,] 5 or 8 is identified in accordance with the provisions of Article 9, transfers and acquisitions of emissions allowed may continue to be made, provided that any such emissions allowed may not be used by any Party to meet its obligations under Article 3 until any issue of compliance is resolved. If a question of a Party's implementation of paragraph 3(c) above is identified in accordance with the provisions of Article 9, the provisions of this paragraph shall apply only to transfers of emissions allowed by that Party.]

---

[7] The Group of 77 and China have requested the deletion of this Article.

[Article 7[8]

1. For the purpose of meeting its commitments under Article 3, any Party included in Annex I [or acting under Article 10] may receive from any other Party included in the same Annex [or acting under that Article], in conformity with the rules of this Article and the decisions adopted in accordance with paragraph 5 below, the carbon dioxide equivalent emission reductions resulting from joint implementation projects aimed at reducing anthropogenic emissions [or enhancing anthropogenic removals] of greenhouse gases listed in Annex A in any sector of the economy.

2. Parties participating in joint implementation projects have the right to share [among themselves] the credits attributed to the project.

3. In order to generate credits, joint implementation projects shall satisfy the following conditions:

(a) Parties participating in joint implementation projects shall be in compliance with their obligations under Articles 3, 5 and 8 of this Protocol, and shall have a national mechanism for the accounting, certification and verification of their greenhouse gas emissions;

(b) Participation in joint implementation projects shall be voluntary, and shall require prior acceptance, approval or endorsement by the participating Parties;

(c) Joint implementation projects shall bring about real, measurable and long-term environmental benefits related to the mitigation of climate change, whilst avoiding adverse environmental and social effects. Projects must provide a reduction in [or a removal by sinks of] emissions that is additional to any that would otherwise occur;

(d) Joint implementation projects must be compatible with, and supportive of, national environment and development priorities and strategies, and must contribute to cost-effectiveness in achieving global benefits;

[(e) Joint implementation projects can be undertaken by two or more Parties;]

(f) Joint implementation projects shall be supplemental to domestic policies and measures [, which should provide the main means of meeting commitments under Article 3];

---

[8] The Group of 77 and China have requested the deletion of this Article. Other Parties, including the United States and the European Community and its member States, have indicated that they would require further consultations on this Article.

(g) Joint implementation projects shall be assessed on a project basis. Credits shall be calculated and allocated on an annual basis. They shall be subject to stringent emission reduction [or removal] verification and accountability methodologies. For each project, a baseline shall be established, against which the net environmental benefits of greenhouse gas emission mitigation and reduction achieved by the joint implementation project can be compared; and

(h) Parties shall report on joint implementation projects in their national communications using guidelines to be adopted by the Meeting of the Parties at its first session and periodically reviewed thereafter.

4. A Party may authorize intermediaries to participate, under the responsibility of that Party, in actions leading to the generation, transfer or receipt of credits for joint implementation projects under this Article.

5. The Meeting of the Parties shall adopt at its first session, and periodically review thereafter:

[(a) Criteria and guidelines for the attribution of emission credits to projects;]

(b) Guidelines for reporting on joint implementation projects and for the accounting, certification and verification of greenhouse gas emissions [and removals];

(c) Methodologies for calculating project baselines and actual emissions [or removals] in order to assess the incremental impact of the project; and

(d) Methodologies for the verification and auditing of actual emission reductions [or removals].

[6. If a decision is taken by the Conference of the Parties to the Convention at the conclusion of the pilot phase of activities implemented jointly, in accordance with decision 5/CP.1 of the Conference of the Parties to the Convention at its first session, to allow joint implementation with Parties not included in Annex I, then Parties included in Annex I [or acting under Article 10] may, jointly with other Parties, undertake projects aimed at limiting or reducing anthropogenic emissions of greenhouse gases listed in Annex A in any sector of the economy, in conformity with the rules of this Article and the decisions adopted for this purpose by the Meeting of the Parties.]

7. If a question of a Party's implementation of the requirements of this Article is identified in accordance with the provisions of Article 9, transfers and acquisitions of emission credits may continue to be made after the question has been identified, provided that any such credits may not be used by any Party to meet its obligations under Article 3 until any issue of compliance is resolved.]

Article 8

1. Each Party included in Annex I [or acting under Article 10] shall incorporate in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, taking into account the relevant decisions of the Conference of the Parties to the Convention, the necessary supplementary information for the purposes of ensuring compliance with Article 3 of this Protocol, to be determined in accordance with paragraph 4 below.

2. Each Party included in Annex I [or acting under Article 10] shall incorporate in its national communication, submitted under Article 12 of the Convention, the supplementary information necessary to demonstrate compliance with its commitments under this Protocol, including Articles 2, 3, 5, 6 and 7, to be determined in accordance with paragraph 4 below.

3. Each Party included in Annex I [or acting under Article 10] shall submit the information required under this Article as part of the first national communication due under the Convention after this Protocol has entered into force for that Party and after the adoption of guidelines as provided for in paragraph 4 below. The frequency of subsequent communications under this Article shall be determined by the Meeting of the Parties.

4. The Meeting of the Parties shall adopt at its first session, and review periodically thereafter, guidelines for the submission of the information required under this Article, taking into account guidelines for the submission of national communications adopted by the Conference of the Parties to the Convention. The Meeting of the Parties shall also, prior to the first budget period, decide upon modalities for the accounting of emission budgets.

Article 9

1. The national communications submitted under Article 8 by each Party included in Annex I [or acting under Article 10] including the annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol submitted over the reporting period, shall be reviewed by expert review teams as part of the review of communications conducted in accordance with guidelines to be adopted by the Meeting of the Parties, taking into account guidelines adopted for this purpose by the Conference of the Parties to the Convention:

(a) Expert review teams shall be co-ordinated by the secretariat and shall be composed of experts selected from those nominated by Parties to the Convention and, as appropriate, by intergovernmental organizations, in accordance with guidelines adopted for this purpose by the Conference of the Parties to the Convention;

(b) The review process shall provide a thorough and comprehensive technical assessment of all aspects of a Party's implementation of this Protocol. The expert review teams

shall prepare a report to the Meeting of the Parties assessing the implementation of a Party's commitments and identifying any potential problems in, and factors influencing, the fulfilment of commitments. Such reports shall be circulated by the secretariat to all Parties. In addition, the secretariat shall identify for further consideration by the Meeting of the Parties any questions of implementation indicated by such reports; and

(c) The Meeting of the Parties shall adopt at its first session, and review periodically thereafter, guidelines for the review of implementation by expert review teams and the identification of questions of implementation by the secretariat, taking into account guidelines for the review of communications adopted by the Conference of the Parties to the Convention.

2. The Meeting of the Parties, with the assistance of the Subsidiary Body for Implementation, shall consider:

(a) The national communications submitted by Parties under Article 8 and the reports of the expert reviews thereof conducted under this Article; and

(b) Any questions of implementation identified by the secretariat under paragraph 1(b) above, as well as any questions raised by Parties.

3. Pursuant to its consideration of the information referred to in paragraph 2(a) and (b) above, the Meeting of the Parties shall take decisions on any matter necessary for the implementation of this Protocol.[9]

[Article 10[10]

1. Any signatory or Party to this Protocol not included in Annex I may, at any time, notify the Depositary that it has opted to be bound by this Article. The Depositary shall inform the other signatories and Parties of any such notification.

2. Such notification, supported by an inventory of emissions of greenhouse gases not controlled by the Montreal Protocol, including for the historical base year or period chosen under subparagraph (a) below, and a projection of future emissions, shall include a formal declaration on the following points:

(a) Its chosen historical base year or period for the implementation of subparagraph (b) below; and

---

[9] The final drafting of paragraphs 2 and 3 above will take into account discussions on Articles relating to compliance and institutional matters.

[10] The Group of 77 and China have requested the deletion of this Article.

(b) The level of limitation or reduction of anthropogenic emissions of greenhouse gases listed in Annex A, as a basket, it is ready to undertake.

3. Where a notification has been made pursuant to paragraphs 1 and 2 above, the secretariat shall include it in the agenda for the following Meeting of the Parties which shall decide on the acceptance of such notification.

4. After its acceptance by the Meeting of the Parties, a notification by a signatory shall enter into force on the date of entry into force of this Protocol for that State, and a notification by a Party to this Protocol shall enter into force on the ninetieth day after the acceptance of such notification. The commitment under paragraph 2(b) above of Parties acting under this Article shall be inscribed in Attachment 1.

5. Parties acting under this Article shall be bound by the obligations of Parties included in Annex I with respect to the communication of information related to implementation under Article 10.2(a) and (b) and Article 12 of the Convention, and the relevant decisions of the Conference of the Parties to the Convention.]

Article 11

1. The Meeting of the Parties shall periodically review the implementation of this Protocol, with a view to evaluating its impact and effectiveness, and the adequacy of commitments [herein] [in Article 3]. These reviews shall be carried out in the light of the best available scientific information and assessment on climate change and its impacts, as well as relevant technical, social and economic information, and shall be co-ordinated with pertinent reviews under the Convention, in particular those required by Article 4.2(d) and Article 7.2(a) of the Convention. Based on these reviews, the Meeting of the Parties shall take appropriate action.

2. The first review shall take place at the [_] session of the Meeting of the Parties. Further reviews shall take place in a regular and timely manner.

Article 12

1. All Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, without introducing any new commitments for Parties not included in Annex I, but reaffirming existing commitments in Article 4.1 of the Convention, and continuing to advance the implementation of these commitments in order to achieve sustainable development, taking into account Article 4.3, 4.5 and 4.7 of the Convention, shall:

(a) Formulate, where relevant and to the extent possible, cost-effective [national], and where appropriate [regional] programmes for the development of local emission factors, activity data and models which reflect the socio-economic conditions of each Party for the preparation and periodic updating of national inventories of anthropogenic emissions by sources

and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, so as to move toward the improvement of their quality, using comparable methodologies to be agreed upon by the Conference of the Parties, and consistent with the guidelines for national communications adopted by the Conference of the Parties;

Alternative A

(b) Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change and measures to facilitate adequate adaptation to climate change;

(i) [[In the implementation of the commitments in this Article,] [Giving special consideration to supporting measures which favour the economic development of developing country Parties and minimizing adverse effects on other Parties, especially developing country Parties and in particular those identified in] [Article 4.8 of the Convention] [shall be taken into account];]

(ii) The programmes containing measures shall, *inter alia*, and to the extent possible and relevant, [remove obstacles to the limitation or the abatement of increase of anthropogenic emissions by sources and to the enhancement of removals by sinks, enhance energy efficiency, emphasize market-oriented pricing, as appropriate encourage reforms in the energy sector and regulatory regimes, increase the use of renewable energy, make improvements in the transport and industrial sectors, promote the development and sustainable management of greenhouse gas sinks and reservoirs, improve the integration of climate change considerations into the agriculture and waste management sectors, promote voluntary arrangements with industry, and generally take actions to address climate change that, in the context of their national priorities, objectives and circumstances, are economically justified and can help address other environmental problems;] and

(iii) The programmes containing measures shall, *inter alia,* and to the extent possible and relevant, [improve protection measures for infrastructure,] deploy adaptation technologies and know-how, develop and implement integrated mountain area plans, develop and implement integrated coastal zone management plans, develop research on impacts of, and adaptation to, climate change, develop and implement related technical capacity building and awareness raising measures, promote sustainable management plans for the conservation and enhancement of sinks and reservoirs and ecosystems and develop and implement plans for water resources and agriculture, particularly for countries affected by drought and desertification;

Alternative B

(b) Each developed country Party and each other developed Party included in Annex II to the Convention shall incorporate into its national programmes the quantified emission limitation and reduction objectives and related policies and measures under this Protocol, including details of measures undertaken by them to promote, facilitate and finance transfer of technology, provide new and additional financial resources and assist in meeting costs of adaptation in developing countries. Each developing country Party shall seek to include in its national communication, as appropriate, information on programmes which contain measures that the Party believes contribute to addressing climate change and its adverse impacts, including the abatement of increase in greenhouse gas emissions, and enhancement of and removals by sinks, capacity building and adaptation measures;

Alternative A

(c) Promote effective modalities for removing barriers to the investment in and development, application and diffusion, including the transfer of, environmentally sound technologies, know-how, practices and processes pertinent to the mitigation of, and adaptation to, climate change, and consider policies and programmes for the effective transfer of environmentally sound technologies through [financial and fiscal] incentives to promote and enhance access to, and transfer of, currently available environmentally sound technologies;

Alternative B

(c) Take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies, know-how, practices and processes pertinent to the mitigation of, and adaptation to, climate change, in particular to developing countries, including the formulation of policies and programmes for the effective transfer of environmentally sound technologies that are publicly owned or in the public domain, and encourage the private sector through financial and fiscal incentives to promote and enhance access to, and transfer of, patent-protected environmentally sound technologies, in particular to developing countries;

[(d) Identify and implement procedures that enable their governments to take climate change considerations into account in relevant decisions, including those of intergovernmental organizations and in particular multilateral development banks;]

[(e) Promote, co-operate and share information on the national development and use of indicators to assist in the assessment of climate change and its adverse impacts and response measures, *inter alia,* on the economy, infrastructure, human settlements, social and cultural practices, public health and the quality of the environment with a view to minimizing any adverse effects, and include such assessments in their national communications;]

(f) Co-operate in scientific and technical research and systematic observation and development of data archives to reduce uncertainties related to the climate system, the adverse impacts of climate change and the economic and social consequences of various response strategies, and promote the development and strengthening of endogenous capacities and capabilities to participate in international and intergovernmental efforts, programmes and networks on research and systematic observation, taking into account Article 5 of the Convention;

(g) Co-operate in and promote at the international level, and, where appropriate, using existing bodies, the development and implementation of education and training programmes, [including the strengthening of national institutions] and the exchange or secondment of personnel to train experts in this field, in particular for developing countries, and facilitate at the national level public awareness and public access to information on climate change. Suitable modalities should be developed to implement these activities through the relevant bodies of the Convention taking into account Article 6 of the Convention; and

[(h) Communicate to the Meeting of the Parties, through the secretariat, information related to the implementation of their commitments under this Protocol, in accordance with Article 8 and with Article 10.2(a) and (b) and Article 12 of the Convention, taking fully into account the guidelines for communications adopted by the Conference of the Parties to the Convention and any modifications thereto [as well as any subsequent guidelines that the Meeting of the Parties may adopt].]

Article 13

1. In the implementation of Article 12, Parties shall take into account the provisions of Article 4.4, 4.5, 4.7, 4.8 and 4.9 of the Convention.

2. [In accordance] [Consistent] with the provisions of Article 4.3 and Article 11 of the Convention, the developed country Parties and other developed Parties included in Annex II to the Convention shall provide [new and] additional financial resources [through the mechanism defined by the Convention] to meet the agreed full costs incurred by developing country Parties in implementing measures under Article [12(a), 12(e), 12(f) and 12(g)] herein. They shall also provide such financial resources, including for the transfer of technology, needed by the developing country Parties to meet the agreed full incremental costs of implementing measures that are covered by Article [12(b) and 12(c)] herein, and that are agreed between a developing country Party and the international entity or entities referred to in Article 11 of the Convention, in accordance with that Article. The implementation of these commitments shall take into account the need for adequacy and predictability in the flow of funds and the importance of appropriate burden sharing among the developed country Parties.

3. The developed country Parties and other developed Parties in Annex II to the Convention may also provide and developing country Parties avail themselves of, financial resources for the implementation of Article 12 herein, through bilateral, regional and other multilateral channels.

[4. The Meeting of the Parties shall decide upon the policies, programme priorities and eligibility criteria related to this Protocol and shall transmit their guidance on these issues to the Conference of the Parties to the Convention with a view to that guidance being forwarded to the operating entity of the financial mechanism.]

Article 14[11]

1. The Conference of the Parties, the supreme body of the Convention, shall serve as the Meeting of the Parties to this Protocol.

2. Parties to the Convention that are not parties to this Protocol may participate as observers in the proceedings of any session of the Meeting of the Parties. When the Conference of the Parties exercises its functions as the Meeting of the Parties to this Protocol, decisions under this Protocol shall be taken only by those of its members that are, at that time, Parties to this Protocol.

3. When the Conference of the Parties exercises its functions as the Meeting of the Parties to this Protocol, any member of the Bureau of the Conference of the Parties representing a Party to the Convention but, at that time, not a party to this Protocol, shall be substituted by an additional member to be elected by and from amongst the Parties to this Protocol.

4. The Meeting of the Parties to this Protocol shall keep under regular review the implementation of this Protocol and shall make, within its mandate, the decisions necessary to promote its effective implementation. It shall perform the functions assigned to it by this Protocol and shall:

(a) Periodically examine the obligations of the Parties and the institutional arrangements under this Protocol, in the light of the objective of the Convention, the experience gained in its implementation and the evolution of scientific and technological knowledge;

(b) Promote and facilitate the exchange of information on measures adopted by the Parties to address climate change and its effects, taking into account the differing circumstances, responsibilities and capabilities of the Parties and their respective commitments under this Protocol;

---

[11] There is an alternative proposal by the Group of 77 and China in document FCCC/AGBM/1997/MISC.1/Add.9.

(c) Facilitate, at the request of two or more Parties, the co-ordination of measures adopted by them to address climate change and its effects, taking into account the differing circumstances, responsibilities and capabilities of the Parties and their respective commitments under this Protocol;

(d) Promote and guide, in accordance with the objective of the Convention and the provisions of this Protocol, the development and periodic refinement of comparable methodologies, to be agreed on by the Meeting of the Parties, *inter alia*, for preparing inventories of greenhouse gas emissions by sources and removals by sinks, and for evaluating the effectiveness of measures to limit the emissions and enhance the removals of these gases;

(e) Assess, on the basis of all information made available to it in accordance with the provisions of this Protocol, the implementation of this Protocol by the Parties, the overall effects of the measures taken pursuant to this Protocol, in particular environmental, economic and social effects as well as their cumulative impacts, and the extent to which progress towards the objective of the Convention is being achieved;

(f) Consider and adopt regular reports on the implementation of this Protocol and ensure their publication;

(g) Make recommendations on any matters necessary for the implementation of this Protocol;

(h) Seek to mobilize additional funding in accordance with Article 13.2;

(i) Establish such subsidiary bodies as are deemed necessary for the implementation of this Protocol;

(j) Elaborate the functions and terms of reference for the subsidiary bodies established under this Protocol;

(k) Agree upon and adopt, by consensus, rules of procedure and financial rules for itself and for any subsidiary bodies;

(l) Seek and utilize, where appropriate, the services and co-operation of, and information provided by, competent international organizations and intergovernmental and non-governmental bodies; and

(m) Exercise such other functions as may be required for the implementation of this Protocol, and shall consider any assignment forwarded to it by the Conference of the Parties to the Convention.

5. The secretariat shall convene the first session of the Meeting of the Parties in conjunction with the first session of the Conference of the Parties to the Convention that is scheduled after the date of the entry into force of this Protocol. Subsequent ordinary sessions of the Meeting of the Parties shall be held every year and in conjunction with ordinary sessions of the Conference of the Parties to the Convention, unless otherwise decided by the Meeting of the Parties.

6. Extraordinary sessions of the Meeting of the Parties shall be held at such other times as may be deemed necessary by the Meeting of the Parties, or at the written request of any Party, provided that, within six months of the request being communicated to the Parties by the secretariat, it is supported by at least one third of the Parties.

7. The United Nations, its specialized agencies and the International Atomic Energy Agency, as well as any State member thereof or observers thereto not party to the Convention, may be represented at sessions of the Meeting of the Parties as observers. Any body or agency, whether national or international, governmental or non-governmental, which is qualified in matters covered by this Protocol and which has informed the secretariat of its wish to be represented at a session of the Meeting of the Parties as an observer, may be so admitted unless at least one third of the Parties present object. The admission and participation of observers shall be subject to the rules of procedure adopted by the Meeting of the Parties.

8. Without prejudice to paragraphs 1 to 7 above, the Parties to this Protocol may meet at any time they deem necessary.

Article 15

1. The secretariat established by Article 8 of the Convention shall serve as the secretariat of this Protocol.

2. The functions of the secretariat under Article 8.2 and arrangements made for its functioning under Article 8.3 of the Convention shall apply *mutatis mutandis* to this Protocol. The secretariat shall also exercise the functions assigned to it under this Protocol.

[3. To the extent that they are distinct, the costs of secretariat services for this Protocol shall be met by the Parties thereto.]

Article 16

1. The Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of the Convention shall serve as the Subsidiary Body for Scientific and

Technological Advice and the Subsidiary Body for Implementation of this Protocol. Their functioning with respect to the Convention shall apply *mutatis mutandis* to this Protocol.[12]

2. Parties to the Convention that are not parties to this Protocol may participate as observers in the proceedings of any session of the subsidiary bodies. When the subsidiary bodies exercise their functions as the subsidiary bodies of this Protocol, decisions under this Protocol shall be taken only by those of its members that are, at that time, Parties to this Protocol.

3. When the subsidiary bodies exercise their functions with regard to matters concerning this Protocol, any member of the Bureau of the subsidiary bodies representing a Party to the Convention but, at that time, not a party to this Protocol, shall be substituted by an additional member to be elected by and from amongst the Parties to this Protocol.

Article 17

The Meeting of the Parties to this Protocol shall, as soon as practicable, consider the application to this Protocol of, and modify as appropriate, the multilateral consultative process referred to in Article 13 of the Convention in the light of any relevant decisions that may be taken by the Conference of the Parties to the Convention.

Article 18

The Meeting of the Parties shall, at its first session, approve appropriate and effective procedures and mechanisms to determine and to address cases of non-compliance with the provisions of this Protocol, including through the development of an indicative list of consequences, taking into account the cause, type, degree and frequency of non-compliance. Any binding penalties for non-compliance under the procedures and mechanisms established under this Article shall be _ (*to be completed*).[13]

Article 19

The provisions of Article 14 of the Convention shall apply *mutatis mutandis* to this Protocol.

---

[12] Proposal for 1 bis: "Sessions of the meetings of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of this Protocol shall be held in conjunction with the meetings of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of the Convention".

[13] The Group of 77 and China stated that this matter is linked with the issue of a clean development fund. Cross-referencing may be introduced once the actual placement of the text on a clean development fund is proposed. The Group of 77 and China reserves the right to revert to this Article.

Article 20

1. Any Party[14] may propose amendments to this Protocol.

2. Amendments to this Protocol shall be adopted at an ordinary session of the Meeting of the Parties to this Protocol. The text of any proposed amendment to this Protocol shall be communicated to the Parties by the secretariat at least six months before the session at which it is proposed for adoption. The secretariat shall also communicate proposed amendments to the signatories to this Protocol, to the Parties and signatories to the Convention and, for information, to the Depositary.

3. The Parties shall make every effort to reach agreement on any proposed amendment to this Protocol by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the amendment shall as a last resort be adopted by a three-fourths majority vote of the Parties present and voting at the meeting.[15] The adopted amendment shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties for their acceptance.

4. Instruments of acceptance in respect of an amendment shall be deposited with the Depositary. An amendment adopted in accordance with paragraph 3 above shall enter into force for those Parties having accepted it on the ninetieth day after the date of receipt by the Depositary of an instrument of acceptance by at least three fourths of the Parties to this Protocol.[15]

5. The amendment shall enter into force for any other Party on the ninetieth day after the date on which that Party deposits with the Depositary its instrument of acceptance of the said amendment.

Article 21[16]

1. Annexes to this Protocol shall form an integral part thereof and, unless otherwise expressly provided, a reference to this Protocol constitutes at the same time a reference to any annexes thereto. Such annexes, other than Annexes A and B, shall be restricted to lists, forms and any other material of a descriptive nature that is of a scientific, technical, procedural or administrative character.

2. Any Party may make proposals for an annex to this Protocol and may propose amendments to annexes to this Protocol.

---

[14] Proposal to insert after "Party": "in the light of the review of the adequacy of Article 4. 2(a), (b) and (d) of the Convention".

[15] There is an alternative proposal in document FCCC/AGBM/1997/INF.1 paragraphs 17.2 and 17.3.

[16] To be revisited in the light of further discussions on Article 3.

3. Annexes to this Protocol and amendments to annexes to this Protocol shall be adopted at an ordinary session of the Meeting of the Parties. The text of any proposed annex or amendment to an annex shall be communicated to the Parties by the secretariat at least six months before the session at which it is proposed for adoption. The secretariat shall also communicate the text of any proposed annex or amendment to an annex to the signatories to this Protocol, to the Parties and signatories to the Convention and, for information, to the Depositary.

4. The Parties shall make every effort to reach agreement on any proposed annex or amendment to an annex by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the annex or amendment to an annex shall, as a last resort, be adopted by a three-fourths majority vote of the Parties present and voting at the meeting. The adopted annex or amendment to an annex shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties for their acceptance.

5. An annex, other than Annex A or B, that has been proposed and adopted or amended in accordance with paragraphs 2, 3 and 4 above shall enter into force for all Parties to this Protocol six months after the date of the communication by the Depositary to such Parties of the adoption or amendment of the annex, except for those Parties that have notified the Depositary, in writing, within that period of their non-acceptance of the annex or amendment to an annex. The annex or amendment to an annex shall enter into force for Parties which withdraw their notification of non-acceptance on the ninetieth day after the date on which withdrawal of such notification has been received by the Depositary.

6. If the adoption of an annex, other than Annex A or B, or an amendment to an annex involves an amendment to this Protocol, that annex or amendment to an annex shall not enter into force until such time as the amendment to this Protocol enters into force.

7. Proposals for amendments to Annexes A and B to this Protocol shall be adopted and enter into force in accordance with the procedure laid down in Article 20.

Article 22[17]

1. Attachments to this Protocol shall form an integral part thereof and, unless otherwise expressly provided, a reference to this Protocol constitutes at the same time a reference to any attachments thereto.

2. The adoption and entry into force of attachments, and amendments to attachments, shall be in accordance with the procedure laid down in Article 20, provided that a proposed amendment to the commitment of any Party as set out in an attachment may be adopted only with the specific consent of that Party.

---

[17] To be revisited in the light of further discussions on Article 3.

Article 23

1. Each Party shall have one vote, except as provided for in paragraph 2 below.

2. Regional economic integration organizations, in matters within their competence, shall exercise their right to vote with a number of votes equal to the number of their member States which are Parties to this Protocol. Such an organization shall not exercise its right to vote if any of its member States exercises its right, and vice versa.

Article 24

The Secretary-General of the United Nations shall be the Depositary of this Protocol.

Article 25[18]

1. This Protocol shall be open for signature and subject to ratification, acceptance, approval or accession by States and regional economic integration organizations which are Parties to the Convention. It shall be open for signature at United Nations Headquarters in New York from 16 March 1998 to 15 March 1999, and shall be open for accession from the day after the date on which this Protocol is closed for signature. Instruments of ratification, acceptance, approval or accession shall be deposited with the Depositary.

2. Any regional economic integration organization which becomes a Party to this Protocol without any of its member States being a Party shall be bound by all the obligations under this Protocol. In the case of such organizations, one or more of whose member States is a Party to this Protocol, the organization and its member States shall decide on their respective responsibilities for the performance of their obligations under this Protocol. In such cases, the organization and the member States shall not be entitled to exercise rights under this Protocol concurrently.

3. In their instruments of ratification, acceptance, approval or accession, regional economic integration organizations shall declare the extent of their competence with respect to the matters governed by this Protocol. These organizations shall also inform the Depositary, who shall in turn inform the Parties, of any substantial modification in the extent of their competence.

Article 26

No reservations may be made to this Protocol.[19]

---

[18] To be revisited in the light of further discussions on Article 3 and the proposed Article 4.

[19] One Party stated that it was not in agreement with this Article.

Article 27

1. This Protocol shall enter into force on the ninetieth day after the date of deposit of the fiftieth instrument of ratification, acceptance, approval or accession, provided that the total carbon dioxide emissions for 1990 of the Parties which have deposited their instruments of ratification, acceptance, approval or accession, as indicated in their most recent national communications submitted under Article 12 of the Convention, by that time represent no less than three Gigatonnes of carbon.[20]

2. For each State or regional economic integration organization that ratifies, accepts or approves this Protocol or accedes thereto after the conditions for the entry into force have been fulfilled in accordance with paragraph 1 above, this Protocol shall enter into force on the ninetieth day following the date of deposit of its instrument of ratification, acceptance, approval or accession.

3. For the purposes of this Article, any instrument deposited by a regional economic integration organization shall not be counted as additional to those deposited by States members of this organization.

Article 28

1. At any time after three years from the date on which this Protocol has entered into force for a Party, that Party may withdraw from this Protocol by giving written notification to the Depositary.

2. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depositary of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal.

3. Any Party that withdraws from the Convention shall be considered as also having withdrawn from this Protocol.

Article 29

The original of this Protocol, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations.

---

[20] There was no agreement on this paragraph.

[Annex A[21]

Gases

Carbon dioxide (CO_2)

Methane (CH_4)

Nitrous oxide (N_2O)

[Hydrofluorocarbons (HFCs)

Perfluorocarbons (PFCs)

Sulphur hexafluoride (SF_6)]

Sectors/source and sink categories

Energy
- Fuel combustion
  - Energy industries
  - Manufacturing industries and construction
  - Transport
  - Other sectors
  - Other
- Fugitive Emissions from fuels
  - Solid fuels
  - Oil and natural gas
  - Other

Industrial processes
- Mineral products
- Chemical industry
- Metal production
- Other production
- Production of halocarbons and sulphur hexafluoride
- Consumption of halocarbons and sulphur hexafluoride
- Other

---

[21] This list is taken from the revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories: Reporting Instructions. It is understood that the inclusion of individual sectors/source and sink categories will require further discussion and that no agreement has yet been reached on this matter.

Solvent and other product use

Agriculture
- Enteric fermentation
- Manure management
- Rice cultivation
- Agricultural soils
- Prescribed burning of savannas
- Field burning of agricultural residues
- Other

Land use change and forestry
- Changes in forest and other woody biomass stocks
- Forest and grassland conversion
- Abandonment of managed lands
- Carbon dioxide emissions and removals from soils
- Other

Waste
- Solid waste disposal on land
- Wastewater handling
- Waste incineration
- Other]

[Annex B[22]

1. The process of establishing quantified emission limitation and reduction objectives for each Party subject to Article 3.2 shall take into account the differences in starting points and approaches, economic structures and resource bases, the need to maintain strong and sustainable growth, available technologies and other individual circumstances, as well as the need for equitable and appropriate contributions by each of these Parties to the global effort. To this effect the differences in the following factors, fully substantiated by readily available official data, shall be taken into account, as appropriate, in the case of each Party:

(a) Carbon dioxide equivalent emissions per capita of the greenhouse gases listed in Annex A;

(b) Carbon dioxide equivalent emissions per unit of gross domestic product of the greenhouse gases listed in Annex A;

(c) Gross domestic product per capita;

(d) Gross domestic product per capita growth;

(e) Effective emissions in a given time period, defined as the increase in global mean surface temperature at the end of the period, as determined by an agreed climate change model, resulting from both the net anthropogenic emissions of an agreed set of greenhouse gases in each year of that time period and from the initial concentrations of those greenhouse gases at the beginning of the period;

(f) Projected population growth;

(g) Emission intensity of gross domestic product;

(h) Emission intensity of exports;

(i) Fossil fuel intensity of exports; and

(j) Share of renewable energy in energy supply.

2. In addressing national circumstances in their communications, Parties shall include data relating to the above factors, as appropriate.]

---

[22] This Annex would only appear if the alternative of establishing differentiated commitments were adopted. In this case, the text would require further discussion, and in particular paragraph 1(e) would need to be better specified.

[Attachment 1

Name of Party	Emission commitment	Base year or period (*where relevant*)]

- - - - -